



Learning Opportunities

Hello and welcome to The Infonomics Letter for August and September 2012.

Yes, a combined edition for the second time this year! That's because I've been learning some interesting lessons, like how long it takes to empty a property that has been home for 30 years and then integrate the paraphernalia of life from two homes into one. That experience was immediately useful, as my daughter sought help to transfer herself some 4,000 km northward into tropical far north Queensland. Along the way came a reminder that disaster can strike at any time, and often the most inconvenient, when a power spike blew through the surge arrester and trashed the inner workings of the primary Infonomics PC. The live test of backup came through with flying colours – no data was lost, but it still required time to acquire the replacement PC and reload the data and all the requisite software.

Given that it's been a learning time for me, then, it seems apposite to put up some learning opportunities for Infonomics Letter readers.

We begin this edition with the first of a three part series on [Questions for Directors](#), posing seven questions which may help you in developing and evaluating a new or refreshed business strategic plan.

It's been my delight during August to have received one of the Australian IT Industry's highest awards – that of ICT Professional of the Year. This adds to the recognition mentioned in the July Infonomics Letter. [Further Acknowledgment](#) explains more and presents my thoughts upon receiving the award.

Two highly regarded colleagues are doing interesting things at present. In [Advancing Thought Leadership](#), we introduce an exclusive event "*Collaborate or Perish! Close and Personal with Zach Tumin, global Thought Leader*" organised by Margaret Manson of InnoFuture. Then in [Improving Information Security](#), we talk about how Kevin Fitzgerald has packaged his lifetime of rich experience as a pioneer and ongoing specialist in all aspects of information security, for transfer to the next generation of specialists.

Past thought leaders can also teach us a thing or two. [Deming Revisited](#) takes a lead from Basil Wood in New Zealand, to highlight Deming's "five deadly sins of management" and six profound quotes from the grand master of quality.

Finally, we have some new group-based learning opportunities, all focused on [Business Leadership and Governance of IT](#).

Please enjoy!

Mark Toomey 21 September 2012

Questions for Directors

The Australian Institute of Company Directors Conference has long been one of my favourite events for the opportunities it presents to learn and be challenged by thought leaders and leading practitioners. It covers a wide range of topics, and, for every year that I have attended, has always included a half day breakout session on information technology.

At this year's conference in Darwin, the technology forum didn't satisfy the needs of at least one director, who said something to the effect of: "*I am new to the role of director, and I am concerned about information technology, but I have no IT knowledge. I came to this forum hoping to learn what questions I should ask, as a director, about IT*".

That's a fair question, and one that is not, in my view, being well answered in the marketplace. But it can be answered, and I think that directors can be equipped with questions to ask. In fact, my first book, *The Director's IT Compass*, written with Steve Moir and published in 2001 posed 48 questions that directors might ask. An updated version of *The Director's IT Compass*, published in 2006, is still available through [The Infonomics Shop](#). Further questions, and the basis for many more questions, can be found in *Waltzing with the Elephant: A comprehensive guide to directing and controlling information technology*, published in 2009 and also readily acquired at [The Infonomics Shop](#).

When I attend company director events, I go to learn, and to share my experience and thoughts. Thus, in preparing for the 2012 Company Director's Conference, I compiled a fresh list of questions that directors might ask about information technology. In this and the next two editions of The Infonomics Letter, I'm sharing those questions more widely, in the hope that they will help directors and top line executives drive greater success in the use of IT in all forms of endeavour.

This is important now, because information technology has become pervasive in modern business, and is often critical to current and future business performance. But many organisations experience difficulty with IT, in varied ways. Well-known organizations like Virgin Australia, National Australia Bank and Vodafone are just the tip of the iceberg.

Risk associated with IT has become a top executive and boardroom issue – as illustrated by banking regulators deciding to introduce new oversight of IT problems in Australian banks. The rate at which IT has developed and become pervasive however means that many well-established and competent business

leaders have had little experience in dealing with IT, particularly in today's mission-critical context.

The questions I am posing here are far from exhaustive. They are a start, not an end. However, asking them may give you useful insight to what is, and what should be happening in your organisation.

The first set of seven questions should be used whenever you are considering a new or refreshed business strategic plan.

1. Which aspects of our strategy exploit advances in the capability, supply and use of information technology to give us a sustainable strategic advantage?

It is no longer appropriate to "bolt on" the IT after the business strategy has been formed, because advanced IT capabilities now lead to new business models, new markets, new sales channels, new customer relationships, new employee and supplier relationships, new products and so on. It's essential that your primary business leaders formulate the business strategy and plans for exploitation of the IT resource, presenting an integrated view of how the business will evolve.

2. Which aspects of our strategy will be blindsided and rendered obsolete by our competitors' innovative use of information technology?

If you don't do it, somebody else will, and they may just succeed in stealing all your opportunity! The point here is not to demand a crystal ball, but to drive your business leaders to serious examination of what is and might be happening in the marketplace, not just in your own field of operations, but other fields that may be close to, or indeed quite different from where you are today. Relentless and diligent examination of what leading players and upstarts are doing in all markets should give you significant insight to the opportunities for the future.

3. What aspects of identified, foreseeable and unforeseen supplier, customer and regulator use of information technology has influenced our strategy, and what other aspects could render our strategy impotent?

Your organisation's use of IT is just a small part of a much broader IT landscape that is evolving in ways that you cannot control. IT has become at once a consumer product and a powerful high-end resource that enables everybody to do business differently. Some of the associated change is happening at a breathtaking pace, while other aspects are frustrating in their slowness. What you are doing with IT now must be highly adjustable, not just in technology terms, but also in terms of your business model, market approach, product set and so on, so that you can respond appropriately to developments outside your own boundaries.

4. Do the CEO and executive management team fully comprehend the role that IT currently plays and the role that it will play in the future in our business market, and how have they demonstrated that comprehension in the strategic plan?

IT is, unequivocally, an essential, integral tool of business – a resource that is used to enable many if not all aspects of your organisation's current and future activities. But it's not the only resource. We've long understood, and required executives to comprehend the relationships between human, financial, intellectual and production resources. Now we need them to understand and deal with the fact that the IT resource, regardless of how sourced, is inextricably linked to all these other resources, and can act as both accelerator and brake for plans that the business leaders formulate.

5. How does each element of our strategy for use of IT contribute to our current and future competitive advantage and business performance?

Some may think that this is a question for the CIO or other head of IT. They would be profoundly wrong! The reality is that value comes from business operations, and maximising the value of business operations is the job of the business leaders collectively, as well as within their individual domains. If business managers don't understand how their use of IT will help them drive value, it's unlikely that they will actually pursue the potential to its fullest extent. Business managers should be able to convince the board, with no help from the CIO, that they really do comprehend the value potential of IT and how to realise it. The CIO should be sitting in the background while this explanation is delivered, and should be confirming the story – or pointing out gaps that should be addressed.

6. Which aspects of our current and proposed future use of IT are, or will be a competitive disadvantage, and why is this so?

Much attention is given to the opportunity that comes from new investment in IT. But just as an airline and its customers can have vastly different experiences in the newest and oldest aircraft in the fleet, the potential for the older IT systems to limit performance and flexibility is a real and continuing danger for many organisations. Old, complex, inflexible IT systems pose many potential risks across the spectrum of current and future performance and conformance of the organisation. Understanding these risks in a business context is essential to planning investment in replacement of what are, in effect, worn out resources.

7. Which organisations are building competitive advantage for themselves in our business space, and how are we responding to the threat they pose?

One of the most significant impacts of evolving information technology is the way that organisations have morphed outside their previously defined market space. Perhaps one of the most profound examples is how Apple, once a computer manufacturer, is now a major retailer of recorded music. The market scan that has long been a feature of strategic planning now requires new lenses. Your research must extend beyond traditional competitors. It must go beyond examining what is happening upstream and downstream in your own supply chains (these are still important – but they are not sufficient). It must in particular look at what technology evolution is enabling other organisations to do, and consider how this might impact on, or be exploited by your own organisation's strategy.

In the next edition, we will look at five questions to ask when you receive a business case and request for resources to launch a new "IT Project" – an investment in IT-enabled business change. We'll also consider three questions for when you receive a report on progress of a major investment in IT-enabled business change.

In the final part of the series, we will look at how directors and business leaders can consider IT in the context of operational performance and risk.

Infonomics serves business leaders with resources to help them ask questions and understand answers about IT situations, without underlying technical knowledge. If you found these questions challenging, or need further advice, please [contact me](#).

Further acknowledgment

In the July Infonomics Letter, I was very happy to inform readers that I had been named as Victorian ICT Professional of the Year for 2012. I also mentioned that I was then in contention for the national award. Now, I am extremely happy to inform everybody that I was successful, and now have the privilege of being the national award winner as well.



The 2012 iAwards honour companies at the cutting edge of technology innovation as well as leading professionals across the industry. Most importantly, the iAwards honours the achievements of home-grown Australian innovators. The iAwards program goal is to provide external stakeholders from business, industry and government with a clear view of the people leading ICT in Australia and the quality of innovation being produced.

The ICT Professional of the Year Award recognises an ICT industry professional for outstanding innovation, commitment and achievement in their field and dedication to promoting the ICT profession and helping build ICT in Australia into a world leader which is envied by many countries.

Once again, I'd like to express my sincere thanks to my many supporters from all over the world, who each played a part in building my experience and expertise, and the many who helped establish the unique market which I have served since mid 2008.

The iAwards presentation ceremony was a major event, involving a formal presentation ceremony and a gala dinner. To keep the event on track, acceptance speeches from each of the 25 award winners were pre-recorded and edited, and played on the big screen as we left the stage. [Here's mine](#), on YouTube. This was clipped from a about 4 minutes of material, in which I addressed five questions put to me by the organisers. For those who are interested, here is my final draft – some of which was ultimately paraphrased as I spoke to the camera.

What does being the 2012 Australian ICT Professional of the year mean to you?

More of the same really. I'll keep working on the message that adoption of ISO 38500 leads to better governance of IT in business and, especially, in government. I hope that the recognition in the award will give a little more leverage, especially in the IT industry, which has been very slow to take up the standard.

What key leadership skills and attributes do you believe it takes to truly succeed in your domain?

A colleague from my DMR days had a piece of prose framed on his wall. It pointed out that genius, money and other attributes do not assure success. Instead, it said that persistence and perseverance are the qualities that lead to success. I think it was right on the mark. Of course, these qualities have to be complemented by adaptability and a clear vision. For me, the vision is one of a world where most investments in IT are successful and contribute substantially to the wealth and wellbeing of all people.

What achievements are you most proud of and believe have contributed most to your success?

There are several.

First, there was the production of the Australian and International Standards for governance of IT – these were truly a team effort involving some of the finest minds in our industry. They are a real and important marker of the talent that Australia has, and how we can contribute to the world at an intellectual level.

Second, there is the acceptance of my work on the world stage, in Europe, Asia, the Middle East and most recently in Latin America, where people have

adopted the vision and worked to bring the message on governance of IT to hundreds of IT professionals and business leaders.

Third is the success of my book and my monthly newsletter. Together they have penetrated more than 50 nations.

Fourth is the interest in my work shown by several Australian universities, especially Monash and Deakin, and the emerging interest of middle tier consulting firms in presenting the ISO 38500 governance message.

What is your vision of the future of ICT for professionals?

ICT is a fundamental and important tool of business, and that is never going to change. However, ICT will become more and more sophisticated, and will demand ever changing skillsets. ICT is a life-long learning experience.

There are encouraging signs that business leaders are learning from past mistakes, and beginning to reinforce their in-house capability in the ICT space. Commonwealth Bank, Virgin Australia and even the massive, recently bankrupt General Motors have made announcements in the past few months regarding the importance of in-house ICT skills.

ICT professionals are, and will be in the future even more so part of the critical core of skill required to run the successful enterprise.

Make a statement as you wish – relevant to your application and award success.

Good governance of IT is essential for business performance, and through that, economic prosperity. In Australia and globally, the track record of investment in IT has been appalling, and not improving to any significant degree. Yet few organisations are adopting the guidance in ISO 38500, which can be demonstrated as contributing substantially to success for those organisations which apply its principles.

Adoption of ISO 38500 involves change in organisation behaviour, and that requires strong leadership. It is time for government in Australia, and for business organisations to make some hard decisions and exhibit the leadership.

ISO 38500 is a major Australian contribution to the world's know-how, and a magnificent illustration of how Australia can lead the world. But the mere act of innovation is not enough – innovation must be followed by promotion and adoption. Standards Australia, as the nation's peak standardisation body, has a vital role to play in promotion and needs to learn how to go this. Australian governments also have a vital role to play in showing the nation how to adopt new ideas, and they need to learn how to invest in controlled risk, rather than in risk avoidance and abdication.

Above all else, ISO 38500 demands accountability in planning, building and running the ICT-enabled business of the future. Australians in leadership roles, in government, business and the ICT industry, must become accountable for our success, and ISO 38500 can help them achieve this. [\[top\]](#)

Advancing Thought Leadership

Margaret Manson and her team at Innofuture have organised a unique and interesting event for business leaders, on October 25.



Collaborate or Perish! Close and Personal with Zach Tumin, global Thought Leader.

There is an enormous pressure on Business Leaders, especially in ICT today, to deliver increasingly stronger results in adverse competitive and economic conditions. To perform, Leaders need to wield the latest tools of trade: **razor sharp Leadership and Collaboration**

skills, because today, no one has enough knowledge and resources to get there fast enough alone. Successful Managers need to learn how to lead and collaborate more effectively.

Here is a Leadership Event designed for Senior Leaders with an unparalleled opportunity to gain **access to cutting edge Leadership tools** and to the insights of a world-class Thought Leader, with minimum time and dollar investment. Unlike with any other business briefing, all participants will also receive a digital record of the event to take action and to share with their teams!

COLLABORATE OR PERISH! Special Business Event with Global Thought Leader

ZACHARY TUMIN | Harvard Kennedy School

Advisor to Governments, Corporations, Executive Educator and Author

ONE ONLY EVENT IN AUSTRALIA, MELBOURNE

25 OCTOBER, 5.30PM – 7.30PM

Cocktail Function, Keynote, Power Networking, Real Take Away

DETAILS & REGISTRATION [HERE!](#)

- ✓ Find out what it takes to harness Collaboration.
- ✓ Take away real tools to implement Collaboration.
- ✓ Experience Business Leaders' event with a difference.

Improving Information Security

Kevin Fitzgerald has been a friend and colleague for more than 20 years, and has been in the information security business longer than just about anybody! He knows everything there is to know about that topic and its symbiotic twin, business continuity management.

With an immense portfolio of practical experience, Kevin has recently launched a [new venture](#) to train the next generation of information security professionals. As Kevin says, and I definitely agree: *"There's never been a better time to start (or to improve) your Information Security career. Information is facing a serious leap in its threat profile as the Information Age morphs into the Information Transformation Age. Cybercriminals can smell their opportunities. Social Networkers do not understand the threats. Information is losing its boundaries. Management is in a state of denial"*.

Kevin's white paper, accessed from his [website](#), offers an easy-to-read introduction into why information security is such a hot topic today, and will continue to be into the future.

The white paper links to further information on how to access three significant resource pools, and gain personal support from a widely recognised industry leader as you build your expertise.

Kevin Fitzgerald's new [information security mentoring](#) service is thoroughly recommended for aspiring and seasoned information security professionals. I think it could also be extremely useful for business and technology managers who have oversight responsibility for business activities where information security is a critical issue – and that's the majority situation. [\[top\]](#)

Deming Revisited

Long time followers of my work know that I am a strong advocate of the model for managing change developed by H J Leavitt in 1964. I think that model demonstrates that we can gain great benefit from older research, and it is interesting to see that Leavitt's work has had somewhat of a renaissance in recent years. While I am a participant in that renaissance, I certainly do not claim to have launched it. Indeed, I learned recently that the same Leavitt Diamond model underpinned work on IT management frameworks done 20 years ago at DMR, the consulting firm where I spent 11 years learning about human behaviour and information technology.

Another luminary from the past whose work has stood the test of time is W Edwards Deming, whose life work focused on design, quality, testing and sales, particularly in Japan.

New Zealand's Basil Wood is another fan of Deming, and he has recently unearthed a fascinating video of Deming being interviewed in 1984. In this interview,

Deming points out a continuing decline in American industry, and suggests that the decline would continue until American (and global) business leaders understand the Five Deadly Diseases of American management. In his recent blog post, Basil has nicely encapsulated Deming's message. The post includes a link to the video, which runs for a tad over 15 minutes. Deming's slow, deliberate discussion is penetrating and incisive. Phrases like *"management has worshiped the quarterly dividend"*; *"there's a better way to protect investment: with plans that will keep the company in business"*; and *"unemployment is a sign of bad management"* are blunt, confronting, and just as true today as when he uttered them 28 years ago. It's well worth investing in a read of [Basil's brief article](#) in which he enumerates the five deadly diseases, and watching the [video](#).

In exploring the background to Basil's article, I came across another item on You Tube – *The Wisdom of W. Edwards Deming*. Set to music, over 3 and a half minutes, it rolls through a series of profound quotes from a man who had a deep insight to business performance. Just a few that are so relevant to what we do in governance of IT bear repeating:

- Whenever there is fear, you will get wrong figures
- You should not ask questions without knowledge
- Hold everybody accountable? Ridiculous!
- If you do not know how to ask the right question, you discover nothing.
- It is not necessary to change: Survival is not mandatory!
- We are here to make another world! [\[top\]](#)

Business Leadership and Governance of IT Events

We have several opportunities for business and technology leaders and practitioners to learn more about business leadership and governance of IT during October.

Adelaide, October 9: Using ISO 38500 in Governing IT. Organised by Infonomics partner Intec, this session is designed for business and technology leaders at executive and director level, and is based on the Infonomics [ISO 38500 Immersion](#) class. For more detail, contact [Phil Ingerson at Intec](#).

Melbourne, October 10 and 11: Business Oriented Governance of Information Technology - ISO 38500 Foundation. Organised by the Australian Computer Society, Victorian Branch, this two day class is for everybody who needs to be sure that IT is efficient, effective and acceptable – from the boardroom to the coalface, and requires no prior knowledge of information technology tools or practices. Full details and registration are [here](#).

Melbourne, October 16: Ai Group Technology Summit 2012. Mark Toomey speaks at 11:40. See the [conference website](#) for details. [\[top\]](#)